The Saturday Review

Financial Supplement

Conducted by Hartley Withers

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The Outlook

Last week's brighter sentiment has blossomed into general cheerfulness, stimulated by political news and monetary and fiscal prospects—or hopes—rather than by any definite improvement in the state of industry and trade. Chief among the political items was the dramatic announcement of Irish "peace"; but the Chancellor of the Exchequer's statement on reparations was also welcomed as showing that this problem is being cautiously considered on business lines. At the same time anticipations of a reduction in the New York Federal Reserve Board's rediscount rate raised hopes of a lower Bank rate here and an evening paper promised the taxpayer 1s. 6d. off the income tax, to be secured by a £200 million gash to be made in the national expenditure by the axe of the Geddes Committee. Here were plenty of pleasant possibilities, and professional operators were in the mood to make the most of them, though their enthusiasm was not aggressively shared by the general public, if activity of business was a fair test.

GOVERNMENT FINANCE

On the subject of taxation Sir Robert Horne by no means endorsed the comfortable anticipations of the *Pall Mall*. In his speech at Manchester on Monday he reminded his hearers of the Treasury circular sent out last spring calling on the departments to reduce expenditure by £130 millions; went on to show that next year's revenue must inevitably be less than this year's and that his figure of reduction in expenditure had to be raised from £130 millions to £175 millions, and then "would beg his audience to realize the difficulties of the problem," of reducing our expenditure to the level at which our accounts might be balanced. After making every allowance for the caution with which a Chancellor of the Exchequer ought to speak at such a time, this part of his speech did not hold up much hope of a lower income tax. In the meantime, owing to the War Loan interest payment, last week's revenue fell short of expenditure by nearly 40 millions. At the same time maturing Treasury bills exceeded sales by 7½ millions, while Treasury bonds were sold to the extent of 13½ millions; and so the Government had to borrow 29 millions on Ways and Means advances, 19 of which were provided by the Bank of England.

STOCK MARKET HESITATING

All round the House it has been easier to buy than to sell and even the issue of highly unfavourable industrial reports brings few shares to markets. As there is often a small professional bear account, in spite of the alleged prohibition of time bargains, shop support is easily able to keep prices firm, with the help of a moderate amount of bargain hunting by adventurous investors. The gilt-edged market, however, is still the one in which real activity is to be found and here stock is still said to be scarce in spite of the recent rapidity of new creations. Hopes of a lower level of money rates are a powerful influence in stimulating the demand for the gilt-edged variety of securities, and the alleged improvement of the political atmosphere also helps. Some observers are beginning to wonder whether the public will not soon begin to look for a more satisfactory yield than is to be got from Government securities, seeing that the net return from War Loan, after allowing for income tax, is now, apart from profit on redemption, a shade under 4%. But there are not at present many Foreign Government securities with much surplus solvency behind them and Home Rails are in a cloud of uncertainty, though their debenture stocks have lately been rising perhaps in preparation for financing that is likely to be necessary. New issues of all kinds are said to be on the anvil in very large quantities and great as the digestive power of the investing machine has shown itself to be, its swallow is not unlimited, especially if some revival of trade and recovery in wholesale prices reversed the process by which banking credit has lately been set free for purposes of finance. In the meantime, though the gilt-edged market held its advance fairly well, in other directions there was some tendency towards reaction, Kaffirs being affected by the fall in gold while industrial shares were still out of favour. It needs a rose-coloured microscope to detect real signs of trade revival, though it is easy to see many things happening that ought, in time, to help to make trade better. But the "derelict countries" which the Chancellor of the Exchequer described as the chief cause of our present sufferings, cannot, if the best happens, come back to economic life again in a moment.

EASY MONEY

Chiefly owing to further borrowings by the Government from the Bank of England, in order to pay the War Loan interest, money has been amply abundant and discount rates show a further decline. The Bank return showed increases of 13 millions in the Government securities and 12 millions in the Other deposits. Prophets of easier rates are rather in the ascendant for the moment, though at the same time the somewhat inconsistent view that commodity prices have touched bottom (witness the recent rise in tin) is well supported. Exchange movements have been less lively, but Berlin shows a slight reaction after the mark's late improvement. New York has advanced again and the Eastern rates have been weak, with the fall in silver.

POST OFFICE SAVINGS AND UNEMPLOYMENT

Since January 1st the net decrease in Post Office Savings Bank deposits has amounted to no more than £8,000,000—a remarkably small figure, on which stress was laid by Sir Robert Horne as an indication that things might not be as bad as they seemed on the surface. At no time during this period have there been less than three quarters of a million of unemployed on the live registers of the Labour Exchange, on several occasions the total has exceeded two millions and for the year to date the average on the register has been

well over one and half millions. The fact must be taken into account that about 6% of those who register are juveniles, but against this may be set the considerable number of unemployed persons who do not figure on the books of the Labour Exchange. The small decrease in Savings Bank deposits is the more remarkable when it is known that the reduced wages now current show a reduction at the rate of over £227 millions per annum compared with those current on January 1st. Whilst the " dole " is, no doubt a partial explanation, there is another consideration which cannot be ignored, and leads to a less reassuring conclusion. It may be that the working classes suffering most are those which have had little opportunity of thrift in the past and consequently have nothing to fall back upon in their adversity.

THE CHANCELLOR ON REPARATION

IT was high time that the public should be given some information on the Reparations question beyond the plenteous babble of gossip and semi-inspired statements in the press. This need was obligingly met by the Chancellor of the Exchequer on Monday last in a speech at the Free Trade Hall, Manchester. His references to the Reparation question were marked by the cautious common sense which is needed by a British Chancellor of the Exchequer at this crisis. At present, he told his audience, " Germany said that she could not pay the sums which were due in the months of January and February, and she was asking for delay. That was a matter which the Allies must discuss together and answer in unison, and he did not propose to express any point of view on that topic." He proceeded, however, to point out that the collapse of Germany would be a misfortune not merely for Germany but for Europe and the whole world. We were suffering to-day, among other things—and perhaps more than any other thing—because there were so many derelict countries in Europe. Austria and Russia, which used to be our customers, were no longer able to buy our goods, and if we added to these countries a broken Germany the catastrophe to Europe would be unspeakable. All this is obvious and solid fact, and it must always be remembered that the existence of these derelict economic bodies in Europe affects us not only because we are not able to sell goods to them directly, but also because the newer countries of the world, which used to supply them with raw materials, are now unable to do so and are consequently unable to buy our goods. This connection was lately shown very clearly, when the crash in the value of the mark which followed the Silesian decision had an immediate effect upon the value of the rupee and so affected all our industries which deal with India. We thus have plenty of material reasons for being careful, in our demands upon Germany, not to proceed to lengths which would produce an economic catastrophe. On the other hand Sir Robert pointed out that if concessions were to be made there were also some conditions on which we ought to insist. While Germany was saying, as a State, that she could not pay reparations, she was also, at the same time, doing many things which acted against the possibility of her meeting her obligations. She was subsidising the price of bread at the expense of the taxpayer; this made a deficit in the revenue of the State, and it has also affected the industrialist employer, who is able to buy his labour at a cheaper wage. The employer was also subsidised by the loss at which the State railways were being operated by the State, which in the last quarter amounted, according to Sir Robert, to something like £15 millions sterling. This made a gap in the Budget, but enabled the industrialist to get cheap carriage for his goods. Another form of State subsidy was in the price of coal, which was being sold to-day in Germany at about half the price which was paid for coal anywhere else in the world. If, therefore, we were to forgo our just rights in relation to German reparations even for a time, which he did not say we ought to do, it was plain that Germany must get rid of these subsidies in order to put herself into a position to perform her proper obligations. It should be noted that Sir Robert, as correctly reported by the *Manchester Guardian,* only observed that he did not say that we ought to decide to forgo our reparation rights. Other papers quoted him as having said that he did not " think " that we ought to decide to forgo these rights, whereas it is clear that his judgment is not yet made up on this highly important point. Other conditions to which he referred were that Germany must make her taxation yield a revenue which would meet her expenditure, and that within some period to be fixed she must cease to print paper marks in order to meet her deficit. Probably the German Government will be extremely glad if these conditions are made part of some arrangement by which she could be temporarily relieved of the full rate of reparation payment to which she is at present liable. It must be an extraordinarily difficult task for a new and inexperienced system of Government, under the entirely exceptional circumstances that to-day prevail, to impose the taxation and to make the deep cuts in expenditure that are essential to solvency, as long as the easier method of printing paper remains open to it; and the difficulties of this task will be very greatly relieved if its performance can be associated in the minds of those who will have to pay the taxes and to be deprived of the subsidies which have made life easy for them, with some temporary easing in the reparations burden.

On the subject of payments in kind Sir Robert observed that there was much greater difficulty in applying this system to us than to France. The payments in kind which were to be made by Germany to France were connected with the devastated regions, and there was work to be done in restoring villages which were wiped out, which could not be accomplished under a period of years, though all the labour of France were devoted to the purpose. Accordingly it was possible for Germany to make payments in kind to France without interfering with the ordinary course of employment. With us, however, the case was quite different for the most part. The things Germany could give us in the shape of payments in kind would be just the kind of articles we could make ourselves. There were one or two commodities, like potash or sugar, from which we could obtain a certain amount by payments in kind; but all that these articles would yield was a mere bagatelle in relation to the amount due. " We should be offered payment in such things as electrical machinery locomotives, rolling stock, and so on. But what was going to be the effect upon our own trade and employment under these circumstances? These were the very things which we ourselves manufactured and upon which the very existence of many of our workpeople depended." These are certainly very real difficulties, and it would seem that any attempt to receive payments in kind from Germany would involve the setting up of a new Disposals Board which would be selling German goods in competition with British. Clearly, any attempt on the part of Germany to meet her reparation bill involves competition with British goods; but it seems better that this competition should have to be conducted by German industry rather than by a British Government department. Competition with German industry we have to face in any case, and the indemnity payment, so far from making Germany a more efficient competitor, will, by imposing taxation upon German industry and relieving British industry, in so far as the reparation payments are made to us, be a handicap in favour of our own manufacturers. This handicap will clearly make it difficult for German industry to pay the indemnity until the consuming power of the world as a whole is on a much

more satisfactory basis then at present; and so we get back once more to the need for economic recovery all over the world as essential to our own trade prosperity and also to the receipt of any substantial amount in payment from Germany. In the meantime, and as a temporary expedient, a credit operation for helping Germany over the next stiff fence has something to be said for it, subject to the conditions set forth by the Chancellor. Lombard Street talks of a possible issue here of German sterling Treasury bills guaranteed by German banks. If some such arrangement could be accompanied by Germany's forswearing inflationary sack, it might be good business.

HARTLEY WITHERS

THE RALLY IN OIL SHARES

(FROM A CORRESPONDENT)

FEW will quarrel with the march of oil events recorded during the opening week of the current month. They more than confirm the conviction that better times for the industry and the oil share market are at hand. Throughout the industry early Autumn projected distinct evidences of revival, and the intervening weeks have contributed further tangible proofs of this recovery—notably in the sensational rises of the price of crude, restricted drilling, and the gradual decline in field operating costs. Perhaps sooner than later, the reflection of this basic condition of returning prosperity, was to be looked for in the operations of the oil share market. Until the present week, however, the mist of uncertainty gave no sign of lifting. The once breezy oil market clung to nervousness and apprehension difficult to reconcile with the probabilities of the situation, and its own accepted characteristics of courage and prescience. Since this paper last went to press, several official company announcements have been made which clear the air. First the Royal-Dutch dispelled any doubt as to the form of its interim dividend, by declaring this (15% as usual) in cash. Next, the Shell followed suit with its interim dividend of 2/- per share in cash, as last year. Further, the market was greatly relieved to get the assurance that the £140,000 or so Shell ex-enemy holdings, so long in the custody of the Public Trustee, were no longer hovering over it as a menace, these having been acquired by an influential Syndicate. The next item—and this is expected within the present week—will be the announcement of the Mexican Eagle Co.'s dividend. If this makes the anticipated 30%, the cycle of premier oil company dividend announcements will be complete. And at this time it will be more than ordinarily appropriate, perhaps, to review the postion of the Royal Dutch-Shell, and Mexican Eagle companies, the improved prices of whose shares synchronised with the issuance of the above official announcements.

It is important to remember that the modification of the Royal-Dutch articles of association recommended by the Directors to the Meeting on November 30th, was, as later events proved, purely precautionary, being intended to provide the management with powers to pay dividends in the form of Common Shares under circumstances when depletion of cash resources is not in the interests of the shareholders. Equally significant is the fact that the interim two dividends just declared (Royal Dutch and Shell) are paid out of profits which do not include the production of the Dutch East Indies—and this in 1920, exceeded 2,300,000 tons. The Mexican Eagle Company should be in a position to make a reassuring statement at the close of the present year, as despite decline in production from its own wells, and large purchases for shipment, its drilling campaign is again intensive, and in areas almost exclusively owned or worked by the company. In addition to new wells in the Zacamixtle field, and Cierro Viejo—here in conjunction with the Mexican Petroleum Co.—the San Geronimo field has recently provided a well of compensating output, its estimated daily flow being 25,000 barrels. Should this field realize its prospects, the surprise problem forced on the company by the salt water troubles in Amatlan, will be largely disposed of. Further south still the Mexican Eagle is developing its field operations in the Isthmus of Tehuantepec region, where oil of high quality abounds, usually at shallow depths. This section of Mexico's Eastern petroliferous area, for one or other reason—economic, political, and climatic—has not hitherto been subjected to sustained and systematic exploitation. The States of Tabasco, Chiapas, and Oaxaca, and the Southern extremity of the State of Vera Cruz are, in parts, rich in oil prospects, and the best of these are already being exploited by Mexican Eagle. The Company's refinery is within convenient reach at Minatitlan, and transportation of the oil, especially by barges along the many water ways in this region, should present no forbidding difficulties. In anticipation of considerable developments in the vicinity (especially at Sarlat) the port of Frontera, in the State of Tabasco, is having its facilities augmented with all speed.

Meanwhile, and pending eventualities in this new section, the older fields to the North of them, in the Tuxpam area—notably Zacamixtle—still continue to furnish wells which it is eminently reasonable to suppose will at least bridge for the company the period of restricted supplies through which it is at the moment passing. On November 8th, Well 22 Lot 17 Zacamixtle added another heavy producer to the company's list—continuing the sort of serial story of incoming "gushers," often next door to salt water disappointments, to which one has become accustomed, in this region of baffling experiences to oil producers and geologists.

The other member of the Dutch-Shell Combine in Mexico, La Corona Co., has gone from one success to another during the current year, acquiring vast acreage and bringing in wells continuously, until in October it took seventh place in the shipping list, with the record total of 1,058,455 barrels, or roughly within 206,000 barrels of Mexican Eagle's October shipments. The same enlightened foresight is being exercised in respect of both these members of the combine in Mexico, while the Royal Dutch-Shell continues its protean methods of penetration in other fields—such as the United States (where it has consummated a merger of unique importance with Union Oil of Delaware) to the extent that the great production of the Dutch East Indies, especially if heavier taxation materializes there, bids fair to recede still further in its proportion to the combine's huge annual output, which now stands at 10,000,000 tons approximately.

Sir Henry Deterding at the recent Extraordinary General Meeting of the Royal Dutch Petroleum Co., after pointing out that the results of the financial year ending December, 1921, justified the payment of an interim dividend of 15%, if the Directors were satisfied that cash requirements could be strengthened by new issues of capital, adduced some figures calculated to instil caution among the combine's unfriendly critics. The total expenditure of the year had reached 200,000,000 florins. In Mexico alone over half this sum had been invested, while additions to the fleet had involved an outlay of 30,000,000 florins. In other parts of the world large additions had been made to plant and refineries; the year 1922 would also call for further big payments, but hardly on the scale applying to the year under review. The total net profits for 1920 amounted to about 200,000,000 florins, and stocks on hand totalled between 1,000,000 and 1,500,000 tons. The company, said Sir Henry, had no obligations to the banks and was in a position to meet any competition without having to go to the shareholders for money, though the possibility of new issues would have to be faced. The effects of this utterance, with other indications of the industry's steady trend towards recovery, are apparent already in the return of buoyancy to the oil share market.

FIGURES AND PRICES

PAPER MONEY (in millions).

		Latest Note Issue.	Stock of Gold.	Ratio Gold to Notes.	Previous Note Issue.	Note Issue Nov. 30, 1920.
European Countries				%		
Austria	Kr.	103,128	?	—	103,129	28,072
Belgium	Fr.	6,127	267	4	6,150	5,845
Britain (B.of E.)	£	105	156	37	106	109
Britain (St.)	£	316			311	349
Bulgaria	Leva	3,194	37	1	3,194	3,391
Czecho-Slov.	Kr.	11,516	1,125	9	11,850	10,947
Denmark	Kr.	493	228	46	493	555
Finland	Mk.	1,334	42	3	1,363	1,333
France	Fr.	36,489	5,524	15	36,336	38,573
Germany	Mk.	96,464	994	1	96,463	64,284
Greece	Dr.	2,077	57	2	2,051	1,491
Holland	Fl.	1,021	606	59	1,026	1,084
Hungary	Kr.	24,159	?	—	23,794	12,975
Italy (Bk.)	Lire	14,326	1,371†	9	14,158	15,279
Norway	Kr.	389	147	37	397	462
Poland	Mk.	182,777	20	—	182,777	43,326
Portugal	Esc.	675	9	1	675	574
Roumania	Lei	13,067	4,350	32	12,829	9,170
Serbia	Dnrs	4,546	74	1	4,567	—
Spain	Pes.	4,206	2,509	59	4,236	4,207
Sweden	Kr.	589	275	43	607	753
Switzerland	Fr.	905	545	60	926	969
Other Countries						
Australia	£	58	23	39	58	55
Canada (Bk.)	$	183	165*	36	187	234
Canada (St.)	$	269			269	327
Egypt	£E	35	3	8	35	42
India	Rs.	1,784	24	13	1,767	1,602
Japan	Yen	1,283	1,264†	98	1,132	1,180
New Zealand	£	8	8†	100	8	8
U.S. Fed. Res.	$	2,474	2,835	114	2,421	3,319

*Includes gold abroad.
†Total cash.

GOVERNMENT DEBT (in thousands)

	Dec. 3, '21.	Nov. 26, 21.	Dec. 4, '20.
	£	£	£
Total deadweight	7,766,487	7,727,465	7,776,023
Owed abroad	1,091,034	1,091,034	1,154,569
Treasury Bills	1,100,107	1,107,532	1,126,729
Bank of England Advances	27,250	8,250	64,750
Departmental do.	194,438	184,408	203,664

NOTE.—The highest point of the deadweight debt was reached at Dec. 31, 1919, when it touched 8,033 millions. On March 31 last it was 7,574 millions. Of the increase shown since then 102 millions represent a nominal addition, due to a conversion scheme.

GOVERNMENT ACCOUNTS (in thousands)

	Dec. 3, '21.	Nov. 26, '21.	Dec. 4, '20.
	£	£	£
Total Revenue from Ap. 1	598,312	584,067	816,077
,, Expenditure ,, ,,	688,441	635,174	763,321
Surplus or Deficit	—90,129	—51,107	+52,756
Customs and Excise ...	220,251	215,681	222,217
Income and Super Tax ...	165,465	162,555	148,563
Stamps	9,939	9,588	16,898
Excess Profits Duties ...	29,714	29,714	143,860
Post Office	33,750	32,750	32,250
Miscellaneous—Special ..	69,363	65,794	191,648

BANK OF ENGLAND RETURNS (in thousands)

	Dec. 8, '21.	Dec. 1, '21.	Dec. 8, '20.
	£	£	£
Public Deposits	11,996	13,749	22,424
Other ,, ...	142,743	130,411	126,483
Total	154,739	144,160	148,907
Government Securities	70,064	57,438	80,708
Other ,, ...	80,636	82,735	72,180
Total	150,700	140,173	152,888
Circulation	124,961	125,113	130,411
Do. less notes in currency res.	105,111	105,663	111,661
Coin and Bullion	128,433	128,442	125,877
Reserve	21,921	21,779	13,916
Proportion	14.1%	15.1%	9⅜%

CURRENCY NOTES (in thousands)

	Dec. 8, '21.	Dec. 1, '21.	Dec. 8, '20.
	£	£	£
Total outstanding	315,714	310,839	354,298
Called in but not canclld.	1,772	1,788	2,834
Gold backing	28,500	28,500	28,500
B. of E. note, backing ...	19,450	19,450	18,750
Total fiduciary issue ...	265,992	261,101	304,214

NOTE.—The maximum fiduciary issue for 1921 has been officially "fixed" at £317,555,200.

BANKERS CLEARING RETURNS (in thousands)

	Dec. 7, '21.	Nov. 30, '21.	Dec. 8, '20.
	£	£	£
Town	694,737	625,909	637,035
Metropolitan	33,287	27,831	41,702
Country	62,937	49,635	86,073
Total	790,961	703,375	764,810
Year to date	32,950,406	32,159,445	36,771,394

LONDON CLEARING BANK FIGURES (in thousands)

	Nov. '21.	Oct., '21.	Sept., '21.
	£	£	£
Coin, notes, balances with Bank of England, etc....	206,876	221,136	254,378
Deposits	1,837,537	1,846,153	1,806,910
Acceptances	59,880	51,447	49,986
Discounts	434,081	413,012	383,280
Investments	326,372	320,608	315,476
Advances	792,480	804,586	816,724

MONEY RATES	Dec. 8, '21.	Dec. 1, '21.	Dec. 8, '20.
	%	%	%
Bank Rate	5	5	7
Do. Federal Reserve N.Y.	4½	4½	7
3 Months' Bank Bills ...	3½-⅝	3⅝	6 11/16
6 Months' Bank Bills ...	3⅜-¾	3⅞	6 11/16-¾
Weekly Loans	3½	3½	5½

FOREIGN EXCHANGES (telegraphic transfers)

	Dec. 8, '21.	Dec. 1, '21.	Dec. 8, '20.
New York, $ to £......	4.07½	4.03	3.44½
Do., 1 month forward	4.07¾	4.03⅜	—
Montreal, $ to £	4.42½	4.39½	3.99
Mexico, d. to $...........	33d.	33d.	—
B. Aires, d. to $	43½d.	43¾d.	56d.
Rio de Jan., d. to milrs	7½d.	7¾d.	11 3/16d.
Valparaiso, $ to £	39.00	38.90	—
Montevideo, d. to $ ...	40d.	40½d.	55½d.
Lima, per Peru £	12½% prem.	12½% prem.	—
Paris, frcs. to £	54.20	56.20	58.67½
Do., 1 month forwd....	54.22	56.23	—
Berlin, marks to £ ...	825	800	256½
Brussels, frcs. to £ ...	56.20	58.55	55.52½
Amsterdam, fl. to £ ...	11.38	11.35	11.29
Switzer'and, frcs. to £	21.19	21.05	22.25½
Stockholm, kr. to £ ..	16.98	16.95	17.88
Christiania, kr. to £ ..	28.20	28.30	23.47½
Copenhagen, kr. to £..	21.60	21.60	23.25½
Helsingfors, mks. to £	222	225	147½
Italy, lire to £	94½	94¾	97.62½
Madrid, pesetas to £..	28.84	28.95	26.97½
Greece, drachma to £	99½	99½	45.50
Lisbon, escudo d..........	4¾d.	4¾d.	7½d.
Vienna, kr. to £	13,000	13,000	1,125
Prague, kr. to £	367½	365	297½
Budapesth, kr. to £ ...	3,200	2,800	—
Bucharest, lei to £	Unquoted	Unquoted	252½
Belgrade, dinars to £...	275	275	—
Sofia, leva to £.........	625	620	—
Warsaw, marks to £...	13,750	13,000	1,900
Constntnple, pstrs. to £	745	740	—
Alexandria, pstrs. to £	97½	97½	97½
Bombay, d. to rupee / Calcutta, d. to rupee	15¾d.	16d.	16 5/16d.
Hongkong, d. to rupee	31¼d.	32d.	37¾d.
Shanghai d. to tael ...	43½d.	46d.	49½d.
Singapore, d. to $ ...	27¾d.	27¾d.	27 13/16d.
Yokohama, d. to yen ...	28⅛d.	28¾d.	34 1/16d.

UNEMPLOYMENT

	Nov. 25, 1921.	Nov. 18, 1921.	May 27, 1921.	Nov. 26, 1920.
Men	1,410,900	1,398,400	1,468,537	378,284
Women ...	318,700	315,100	496,914	103,420
Juveniles ..	102,800	104,000	157,045	42,704
Total ...	1,832,400	1,817,500	2,122,506	524,408

COAL OUTPUT

Week ending:	Nov. 26, 1921.	Nov. 19, 1921.	Nov. 12, 1921.	Nov. 27, 1920.
	tons.	tons.	tons.	tons.
	4,673,600	4,646,300	4,372,500	5,176,500
Year to date	144,023,400	139,349,800	134,703,500	204,996,400

IRON AND STEEL OUTPUT

	1921. Oct.	1921. Sept.	1920. Oct.
	tons.	tons.	tons.
Pig Iron	235,500	158,300	533,200
Do., yr. to date	2,064,600	1,829,100	6,538,900
Steel Ingots and Castings	405,400	429,300	554,300
Do., yr. to date	2,801,000	2,395,600	7,346,600

PRICES OF COMMODITIES

METALS, MINERALS, ETC.

	Dec. 8, 1921.	Dec. 1, 1921.	Dec. 8, 1920.
Gold, per fine oz.	100s. 6d.	102s. 11d.	118s. 9d.
Silver, per oz.	36½d.	37⅛d.	43⅝d.
Iron, Scotch pig No. 1 per ton	£6.5.0	£6.12.6	£11.5.0
Steel rails, heavy ,,	£10.0.0	£10.0.0	£23.0.0
Copper, Standard ,,	£67.10.0	£67.2.6	£81.12.6
Tin, Straits ,,	£167.5.0	£163.15.0	£225.17.6
Lead, soft foreign ,,	£25.12.6	£26.0.0	£26.5.0
Spelter ,,	£25.5.0	£26.7.6	£32.10.0
Coal, best Admiralty ,,	25s.	25s. 0d.	103s.

CHEMICALS AND OILS

Nitrate of Soda, per ton	£14.15.0	£14.12.6	£23.7.6
Indigo, Bengal per lb.	11s. 6d.	11s. 6d.	16s.
Linseed Oil, spot p. ton	£29.0.0	£28.0.0	£47.0.0
Linseed, La Plata, shipment per ton	£17.0.0	£16.10.0	£23.0.0
Palm Oil, Benin, spot per ton	£32.5.0	£32.0.0	£42.10.0
Petroleum, water white, per gallon	1s. 5d.	1s. 5d.	2s. 4¼d.

FOOD

Wheat, English Gaz. Avge. per 480 lbs.	46s. 3d.	46s. 3d.	89s. 7d.
Wheat, No. 2 Red Winter N.Y. p. bush.	124¾ cents.	129½ cents.	201 cents.

TEXTILES, ETC.

Cotton, fully middling, American per lb.	11.11d.	11.30d.	12.26d.
Cotton, Egyptian, FGF. Sakel per lb.	19.75d.	20.50d.	28.00d.
Hemp, N.Z. spot per ton	£39.0.0	£40.0.0	£54.0.0
Jute, first marks ,,	£23.15.0	£24.10.0	£38.10.0
Wool, Australian, med. greasy per lb.	1s. 4½d.	1s. 4½d.	2s. 10d.
Leather, sole bends 12/14 lbs. per lb.	2s. 9d.	3s. 0d.	3s.
Rubber, Standard Crepe per lb.	11½d.	11⅜d.	1s. 1d.

OVERSEAS TRADE (in thousands)

	ten months 1921. £	1920. £	%
Imports	912,468	1,650,813	— 44
Exports	580,927	1,119,573	— 48
Re-exports	88,025	196,592	— 55
Balance of Imports	243,516	334,648	— 27
Export cotton goods, value	145,584	341,643	— 59
Export woollen ,, value	47,074	115,689	— 59
Export coal value	32,708	84,601	— 61
Ditto quantity tons	16,757	21,269	— 21
Export machinery value	63,349	48,497	+ 30
Tonnage entered	30,914	30,276	+ 2
,, cleared	28,444	30,298	— 6

INDEX NUMBERS

United Kingdom—Wholesale (*Economist*).	Oct., 1921.	Sept., 1921.	Oct., 1920.	July 1914
Cereals and Wheat ...	956	1,119½	1,560½	579
Other Food Products	685	688	900½	352
Textiles	1,171	1,258	1,951½	616½
Minerals	816	871	1,316½	464½
Miscellaneous	960	987½	1,446	553
Total	4,588	4,924	7,175	2,565

Retail—(*Ministry of Labour*)—	Oct., 1921.	Sept. 1921.	Oct. 1920.	July. 1914.
Food only	200	210	291	100
All Items	203	220	276	100

Germany—Wholesale (*Official*).	Oct., 1921.	Sept., 1921.	Oct., 1920.	Mnthly average 1913.
All Commodities	2,460	2,067	1,308	100

United States—Wholesale (*Bradstreet's*)	Nov. 1, 1921. $	Oct. 1, 1921. $	Nov. 1, 1920. $	Aug. 1, 1914. $
All commodities.	11.3514	11.1879	15.6750	8.7087

FREIGHTS

From Cardiff to		Dec. 8, 1921.	Dec. 1, 1921.	Dec. 8, 1920.
West Italy	(coal)	12/3	13/0	20/0
Marseilles	,,	12/0	13/0	15/0
Port Said	,,	14/6	15/6	15/0
Bombay	,,	20/6	20/6	—
Islands	,,	11/9	12/0	—
B. Aires	,,	17/0	20/0	—
From				
W. Australia	(wheat)	46/3	46/3	100/0
B. Aires	(grain)	30/0	22/6	45/0
San Lorenzo	,,	32/6	25/0	47/6
N. Pacific	(wheat)	50/0	50/0	90/0
N. America	(grain)	4/1½	4/0	8/0
Bombay	(general)	20/6	20/0	57/6
Chili	(nitrate)	32/6	30/0	75/0
Alexandria	(cotton-seed)	10/0	10/6	23/0
Danube	(grain)	22/0	22/6	40/0

SECURITY PRICES

BRIT. AND COLONIAL GOVT.

	Dec. 8, '21.	Dec. 1, '21.	Dec. 8, '20.
Consols	49⅞	49¼	44
War Loan 3½% ...	92	89¾	83
Do. 4½% ...	81½	81½	77
Do. 5% ...	89 15/16	88¼	83
Do. 4% ...	98⅞	98⅝	93
Funding 4% ...	73¾	73¾	66¼
Victory 4% ...	79⅜	79½	73
Local Loans 3% ...	55	53¼	50
Conversion 3½% ...	65 7/16	64½	—
Irish Land 2¾% ...	50	48¾	44¼
Bank of England ...	182	181	168½
India 3½% ...	57	56⅛	54¼

FOREIGN STOCKS

Argentine (86) 5% ...	97	97	89
Belgian 3% ...	61	60½	56½
Brazil 1914 5% ...	65	65	56
Chilian 1886 4½% ...	77	83	78
Chinese 5% '96	82½	81	78½
Egyptian United 4%	61½	60	59
French 4% ...	28½	25	35
German 3% ...	3	2⅞	5⅞
Greek 4% 1889, 29	32	30	31½
Italian 3½% ...	21½	21	22
Japanese 4½% (1st)	107	109	110½
Mexican 1899 ...	62	63	62
Peruvian Corp. Pref.	14¾	15	22
Russian 5% ...	9	9½	19
Spanish 4% ...	70	70	77½

HOME RAILS

Gt. Central Pref. ...	8	7¾	10½
Gt. Eastern	28	27¾	29¾
Gt. Northern Def. ...	23¾	22½	28½
Gt. Western	70¼	68¼	73¾
Lancs and Yorks ...	49	47½	53
Lond. Brighton Def.	39½	36¾	44
Lond. Chatham ...	5¾	5½	7
L. & N.W.	69½	66¾	74¾
L. & S.W. Def. ...	18½	18	20¾
Metropolitan	26	24½	20½
Do. District	19½	16	17½
Midland Def.	42½	41	47½
North Brit. Def. ...	9½	9	12
North Eastern	71½	69½	78
South Eastern Def.	21¾	20½	27
Underground "A" ...	5/3	5/0	5/6

FOREIGN AND COLONIAL RLYS.

Antofagasta	42½	42	64
Argentine N.E. ...	13	13½	20
B.A. Gt. Southern	52½	49½	64
Do. Pacific ...	34	33	47XD
Do. Western ...	52	51	63½
Canadian Pacific ...	145	148½	166
Central Argentine ...	48½	46½	56½
,, Uruguay ...	38	37	58
Cordoba Central ...	8¼	7	14
Entre Rios	14	14	23
Grand Trunk	1½	1½	4⅞
Do. 3rd Pref.	3	2½	12
Leopoldina	21	21	29
Mexican	14½	13½	17
San Paulo	105	107	124
United of Havana ...	44	43	71½

INDUSTRIALS, ETC.

Anglo-Malay	1⅛	1 5/32	1⅝
Anglo-Persian 2nd Pref.	23/3	22/1½	—
Armstrong	14/0	13/9	20/6
Ass. Portland Cement	13/6	13/6	23/6
Bass	28/0	28/3	25/0
B.S.A.	8/9	8/6	14/6
Brit.-Amer. Tobacco	38/9	58/3	73/9
Brunner Mond ...	23/9	23/0	30/0
Burmah Oil	5 11/16	5 15/16	7 7/16
Coats	49/0	47/9	45/0
Courtaulds	36/3	34/6	39/0
Cunard	17/6	17/0	22/6
Dorman Long	14/6	15/0	21/6
Dunlop	8/0	6/9	17/6
Furness Withy ...	23/0	22/0	25/6
Hudsons Bay	5 13/16	5¾	5 11/16
Imp. Tobacco	48/9	48/3	48/0
Listers	16/0	16/0	22/6
Lobitos	4¼	4¼	4 9/16
Lyons	2 11/16	2⅝	4½
Marconi	1⅝	1 15/32	2½
Maypole Def.	6/9	6/9	11/0
Mexican Eagle	4 1/16	3 13/16	10⅝
North Caucasian ...	9/16	11/3	15/0
P. & O. Def.	280	275	420
Royal Mail	79	79	105½
Rubber Trust	16/0	16/6	20/6
Shell	4 11/16	4⅝	6½
United Alkali	12/6	11/9	22/6
United Steel	8/0	7/9	15/0
Vickers	8/6	9/0	20/0

New Issues

Straits Settlements Government. Subscriptions were invited at 97 for 6 per cent. Inscribed Stock, 1936-1951. The loan is the first instalment of an issue to produce a total of £10,000,000, plus the cost of issue, and is raised for the purpose of re-loan to the Federated Malay States Government, partly to enable that Government to repay the debt due to the Government of the Straits Settlements, but chiefly to pay for large railway, harbour and other public works now in course of construction and about to be constructed during the next three years. It is secured on the general revenues and assets of the Government of the Straits Settlements, but an Act has been passed in the Federated Malay States pledging the repayment of the loan and the loan charges from the revenues of the latter Government, and there is thus a double security behind it. A memorandum attached to the prospectus gives full details, which look very satisfactory, concerning the borrower's debt and assets, revenue and expenditure, and imports and exports. The financial relations between the Straits Settlements and the Federated Malay States are rather complicated, but both have been prosperous and well financed. The stock is a trustee security, and was easily placed.

British Burmah Petroleum Company. Subscriptions were invited, at 98, for £600,000 8½ per cent. Second Mortgage Debenture Stock, repayable at 105 on or before November, 1936. The Stock will be secured by a Trust Deed, granting a specific Second Mortgage Charge on all the lands, buildings, including the refinery, oil wells, well sites and other immovable property, and a floating charge upon all the Company's other property and assets, present and future, subject only to the prior charge in favour of the 6 per cent. First Debenture Stock, of which £525,000 is authorised, and £270,000 is outstanding. Stockholders will have the right up to November, 1936, to exchange Stock into Ordinary Shares on the basis of £1 of Stock for one Ordinary Share of the nominal value of 8s. In respect of the year ending 31st July, 1923, and during each succeeding year up to 1936, £42,000 is to be set aside out of profits and applied in redemption of the Stock, by drawings at 105 or by purchase at or under 105. The Company has the option of redeeming at 105 the whole or any part of the Stock at any time on six months' notice. The capital which will be provided by the present issue is required (*inter alia*) (i) to finance an augmented development and drilling programme; (ii) to complete the electrification of this Company's plant on the Yenangyaung Fields under a scheme undertaken by the Burmah Oil Company, Limited; (iii) to complete extensions and alterations at the Company's refinery; (iv) to assist in the development of a hitherto undeveloped oil area in Burma where the preliminary work "has proved of exceptional promise"; also to redeem the outstanding balance of the existing second deb. stock. The prospectus is clear and informing and the stock looks like a fair speculative investment.

Foreign News

Italy.—The Italian iron, steel and allied industries are passing through very critical times. As elsewhere, the war has produced in Italy industrial over expansion, the erection of works regardless of any consideration as to future earning capacity; moreover, she produces no coal and far too little good iron-ore, and is therefore dependent on foreign raw material supplies. Nevertheless, her iron and steel industries have grown considerably since 1900, when they made 24,000 tons of pig iron and 115,800 tons of steel, against 420,000 tons of pig iron and 930,000 tons of steel in 1914. In 1917 the steel output was even increased to 1,304,000 tons. After the armistice the labour position in Italy was a rather difficult one; this impeded the transformation of the munition works into factories making peace-wares. When this transformation was completed, and the raw material supplies ready, other countries had already made greater progress and were able to supply the international market. The output of the Italian factories on the new peace scale, however, exceeded by far the requirements of the home market. Consequently large stocks were piled up, and this produced financial immobilisation particularly dangerous in cases where companies had been proceeding with ambitious plans of extension which strained their resources and credit to the utmost. Towards the middle of the current year the position of several companies thus became critical. In July last the Ilva concern (capital 300 million lire) came to grief. Thanks to the intervention of a banking syndicate a new company was constituted to lease the best part of the plant for six years, and thanks also to the forbearance of the creditors who agreed to a moratorium of three years, a sudden collapse was avoided. This solution, however, being regarded as a temporary one only, negotiations were initiated with French iron interests willing to participate in the final reorganisation. Owing to the impossible terms asked by the French group this plan had to be given up, and the company is now to go into liquidation. Its shares stand at a nominal figure, showing that there is little to hope for the shareholders. Another even more serious development is the trouble of the Ansaldo group of companies. The Ansaldo company, originally a shipbuilding enterprise, gradually has developed into an all round iron, steel and engineering combine, turning out ships, motor cars, motor boats, type-writing machines, hardware, etc., and whose capital had grown to 500 million lire, not to speak of a considerable debenture debt. For some months past it was known that the company had a very large overdraft with its bank, the Banca Italiana di Sconto. The position has become recently so difficult that under official auspices a syndicate was formed, comprising the three banks of issue and the three leading commercial credit institutions, with a view to facilitating the liquidation of the commitments of the Ansaldo; as to their importance nothing so far has transpired. That company's shares, however, stand at a discount of about 70 per cent, which seems to indicate that a very considerable part of the capital of this largest industrial joint stock enterprise of its country is considered lost.

Switzerland.—Impervious to the recent movements in the dollar exchange the Swiss franc remains steady at near 21 to the £, which is about 16.4 per cent against our currency. Consequently the franc and the dollar practically stand at parity. This fact may not afford great satisfaction to the Swiss exporters, whose outlets are restricted by this high exchange value, but it is rather strange that they should be so little familiar with the position of their own country that they appear to be at a loss for an explanation, and seem to adduce all sorts of strange facts producing this "unnatural" phenomenon of a favourable exchange. Of course, Switzerland has become a creditor nation, as practically all her native securities, held before the war in France, Germany, Italy and to some extent in this country, have been bought back, whilst the old investments made by Swiss nationals abroad, though partly much depreciated remain and probably have been increased. Furthermore, some of the ex belligerent neighbours still owe fairly large amounts for supplies, which are being repaid gradually. In addition to this there are emigrants' remittances from overseas countries, and the large amounts spelt by wealthy refugees who have taken up a permanent residence in the country since 1914. Strangely, all these factors are being overlooked, whilst the unfavourable "visible" trade balance, and even the bad state of the national finances, notwithstanding which the fiduciary note-circulation is decreasing, is being made the most of. On the other hand, should Switzerland wish to depreciate the value of her franc,

she might do so easily by investing liberally abroad where plenty of fresh capital is in great request. A faulty fiscal policy also sooner or later brings evil, and for many years past all industrialists from the most privileged agricultural industries of the country to the artificially created ones have tried with some success to impress public opinion as to the necessity of greater protection. At present, the Swiss have the hard cash, but no trade! Some other *nouveau riche* countries are in the same boat.

Publications Received

The Consumers' Co-operative Movement. By Sidney and Beatrice Webb. Longmans, Green & Co.: 18s. net.
Under New Management. By Hugh P. Vowles, M.I.Mech.E. Allen & Unwin: 6s. net.
The World's Monetary Problems. Two Memoranda by Gustav Cassel. Constable: 3s. 6d.
A Study of Exchange: Direct and through the Medium of Currency. By Sir Lancelot Hare, K.C.S.I. P. S. King: 2s. 6d. net.
Anglo-South American Bank. Cabled reports from branches to Dec. 6th, 1921.
Monthly Review, Barclays Bank, Ltd. Dec.
Anglo-Norwegian Trade Journal. Nov.
The Bulletin of the Federation of British Industries. Dec. 6. 1s.
Monthly Review, London Joint City and Midland Bank, Ltd.
Cull & Co.'s Financial Review. Dec.
The National City Bank of New York Monthly Letter. Dec.
Swiss Bank Corporation Bulletin Mensuel. Nov.-Dec. 1921.

Dividends

Amalgamated Cotton Mills.—Profits have been made by most of company's mills since 31st Aug., but with trade in its present precarious condition the directors prefer not to make any prophecy as to the immediate future. With a view to conserving all available liquid resources, the Board agreed with the directors of subsidiary companies that no dividends shall be declared in respect of this company's holdings. Consequently, after the payment of the dividends on the Preference and "B" Preference of company no profits are available for a dividend on the Ordinary.

Amelia Nitrate.—7 p.c. for yr. to 30th June.

Anglo-Siam Corporation.—Final 12½ p.c. on Ord. and bonus of 5 p.c., making 25 p.c. for yr. to 31st March.

Barclay Perkins.—Interim at the rate of 10 p.c. per annum on Pref., and £2 per shr., tax free, on Ord.

Bleachers Association.—Interim of 2½ p.c. for half-yr. to 30th Sept., comparing with an interim of 4 p.c. last yr.

Blyth Shipbuilding and Dry Docks.—Final 1s. 3d. per shr., making 2s. 0d. per shr. for yr., to 30th Sept.

British India Steam Navigation.—8 p.c., tax free, for year to 30th Sept.

Brooke Bond & Co.—5 p.c. on Ord. for half-year.

Burma Rlys.—Final 1½ p.c. and bonus of 1 p.c. Total return to shareholders, including guaranteed interest at 2½ p.c., amounts to 7 p.c. for year.

Chinese Engineering and Mining.—Final 12 p.c., tax free, making 22 p.c., tax free, for yr. to 30th June.

Cicely Rubber.—Interim of 5 p.c. on Ord. and 7½ p.c. on the Pref. shares on account of year ending March, 1922.

D. Jones, Dickinson & Co.—Final 3½ p.c. on Ord., making 6 p.c. for yr.

Dorman, Long & Co.—Final on Ord. of 2½ p.c., making 5 p.c. for year to 30th Sept.

East Indian Railway.—Dividend from Surplus Profits Account of 15s. 1d. p.c. on Deferred Annuity Capital and the Deferred Annuity Capital Class "D" in addition to guaranteed interest of £2 p.c. for the half-year ending 31st Jan., 1922, and 4s. 11d. p.c. compensation paid by the Secretary of State for India on account of income tax as per contract with him.

Farnham United Breweries.—Final 3 p.c. on Ordinary, making 6 p.c. for year to 30th Sept.

Fredk. Sage & Co.—Final 6 p.c. on Ord., making 10 p.c. for year to 30th Sept.

G. D. Peters & Co.—At the rate of 6 p.c. per annum for the quarter ending 31st Dec., 1921.

Halford Cycle.—Final 7½ p.c., making 10 p.c., tax free, and also bonus of 5 p.c., tax free.

Hills Dry Docks and Engineering.—10 p.c. for yr. to 30th June.

Imperial Tobacco of Canada.—Final 1 p.c. on Ord., making 7 p.c. for yr. to 30th Sept.

Ind Coope & Co.—The directors have set aside £105,000 which they recommend to be distributed by way of bonus, and propose a final divd. of 7½ p.c., making together with the bonus 40 p.c. for the yr. to 30th Sept.

DIVIDENDS.—*Continued.*

JOHN MACKINTOSH & SONS.—Final on Ord. of 17½ p.c., making 25 p.c. for year to 30th Sept.

JOHN WOOD & BROTHERS (1920).—Interim on Pref. passed.

KHEDIVAL MAIL STEAMSHIP.—10 p.c. on Ord. for yr. to 30th June.

LAND BANK OF EGYPT.—Final 7s., making 10s. per share and £4 3s. per Founder's share for the year to 30th Sept.

LEEDS CITY BREWERY.—15 p.c. on Ord. for year to 30th Sept.

LONDON AND SCOTTISH ASSURANCE.—2s. 0d. per share for half-year to 31st Dec., being equal to 20 p.c. on paid-up capital.

LONDON-AMERICAN MARITIME TRADING.—5 p.c. on Ord. for year to 30th Sept.

LONDON SCOTTISH AMERICAN TRUST.—8 p.c. on Deferred with bonus of 10 p.c., making 9 p.c. for yr. to 31st Oct.

MOLSONS BANK, MONTREAL.—3 p.c. (being at the rate of 12 p.c. per annum) upon the Capital Stock for the current quarter.

NORTHAMPTON BREWERY.—Final 10 p.c., tax free, on Ord., and bonus 2½ p.c., tax free.

ORIENT STEAM NAVIGATION.—12½ p.c., tax free, on Deferred for year to 30th June.

P. PHIPPS & CO.—Final 1s. 3d. per share, tax free, on Ord., making 2s. 0d. per shr., tax free, for yr., to 30th Sept.

PRINCE OF WALES DRY DOCKS.—Interim on Ord. of 7½ p.c.

PROVINCIAL LAUNDRIES.—10 p.c. for yr. to 30th Sept.

RIDGWAYS.—Final 11¼ p.c. on Ord., making 17½ p.c. for yr. to 1st Oct.

ROYAL DUTCH PETROLEUM.—Cash interim for 1921 of 15 p.c. In view of uncertainty regarding taxation in the Dutch Indies no conclusions as to final divd. payable in July next can be drawn from this payment. The results of business outside the Dutch Indies have been sufficient to cover the interim dividend.

"SHELL" TRANSPORT AND TRADING.—Interim of 2s. 0d. per share, tax free.

SMITH'S DOCK CO.—Second interim 5 p.c.

TEES POWER STATION.—4⅜ p.c. for year to 1st Oct.

TRUST UNION, LTD.—Interim div. at the rate of 4½ p.c. per annum on Pref. and at the rate of 5 p.c. per annum on Ord. for half-year to 15th Nov., 1921.

UNITED WIRE WORKS.—5 p.c., tax free, on Ord. for year to 30th Sept.

VICTORIA PALACE.—25 p.c. for yr. to Nov. 5th.

WARWICKS & RICHARDSONS.—Final 5 p.c. on Ord. and bonus of 5 p.c., making 15 p.c. for year.

WAYGOOD-OTIS.—Interim on Ord. at rate of 5 p.c.

W. H. CHAPLIN & CO.—In view of the existing uncertainty and of the fact that excess profits liability attaches to the period the regulation 7 p.c. only is declared on Ord. for year to 31st March.

WOLVERHAMPTON AND DUDLEY BREWERIES.—Additional 10 p.c. on Pref. and final 9 p.c. on Ord., making 12½ p.c. on latter for year to 30th Sept.

SOUTH-WEST AFRICA CO.

THE ANNUAL GENERAL MEETING of the South-West Africa Company Limited was held on the 6th inst. at Winchester House, Old Broad Street, Mr. Edmund Davis (chairman of the company) presiding.

The Chairman, in moving the adoption of the report, said that their original claim in respect of amounts held on deposit in Berlin, and sums which accrued to the company during the war period, had been dealt with at various dates. Their concession was a direct grant from the German Government, and covered such extensive rights that at a later date the company agreed to some modifications, and, in exchange for the rights they waived, were granted a joint interest with the German Government in the mineral rights of Ovamboland, a territory covering about 20,000 square miles. It was, therefore, impossible to understand how the Union Government of South Africa—which held a mandate over South-West Africa—could justify their action in confiscating the mineral rights covered by the company's concessions. As shareholders were aware, that Government had cancelled the whole of the company's rights with the exception of its title to about 1,600,000 acres of freehold land and a certain, exclusive right in regard to mineral areas. Under the name of "compensation" for the loss of mineral rights, the company had been allowed to retain until Nov. 17, 1923, the sole right to mark out mineral claims within the 22,000 square miles covered by its Damaraland concession, and they were now engaged in actively prospecting the area in question.

In the first instance, they might take it for granted that at any rate 1,200,000 of their shares would be acquired by the company, though the actual number might be slightly in excess of that figure. Those shares had been acquired from the Public Trustee at 11s. 6d. per share, with the formal approval of the Board of Trade, which was subject to the shareholders passing the necessary resolution adopting new articles of association. Taking the figure 1,200,000 shares as being correct, those would be added to the unissued capital, thus reducing the issued capital to £550,000 in shares of £1 each. Against that capital they would have their British, Colonial, and foreign—other than German and Hungarian—investments, which at to-day's market price were worth about £516,000. To that should be added the unpaid purchase money on farms and town lots sold and advances to settlers, the whole of which were secured by registered mortgages on the properties themselves, and which the board considered good, amounting to £40,834; buildings in South-West Africa, £5,785; furniture, plant, and farm implements, £10,535.

As regarded shares in other companies, the board considered for to-day's purposes that they might take the amount at which they stood in the balance-sheet, namely, £14,896, although one of those investments alone—their holding in the Otavi Mines and Railway Company—was worth, even at to-day's rate of exchange, about £20,000. Next came debtors, of which they needed at the moment only to take into account the balance of their claim admitted by the German authorities, and which the company should receive at an early date, namely, £28,000, and, finally, there was their concessions account at the book entry, £56,977. Those items alone gave a total of £673,027. With their concessions account, though only valued at their balance-sheet figure, namely, £56,977, which included 1,600,000 acres of freehold land, which, he supposed, might conservatively be estimated as being worth about £240,000, the whole of the issued capital of the company as it would stand in their next account would be more than represented by cash or its equivalent. Of course, due consideration would be given when framing their next accounts to the land sales account, which was really a reserve account and stood at £84,503, and their balance of profit, £95,238.

The report was adopted, and the new articles of association were approved.

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